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# CMS Manual System

## Pub. 100-20 One-Time Notification

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Department of Health &  
Human Services (DHHS)  
Centers for Medicare &  
Medicaid Services (CMS)

Transmittal 163

Date: JULY 8, 2005

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CHANGE REQUEST 3908

### SUBJECT: Qualified Independent Contractor Jurisdictions

**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to notify Fiscal Intermediaries (FIs) about the exceptions to the general jurisdictions for the Qualified Independent Contractors (QICs). CR 3530, issued on March 25, 2005, established the general rules for the QIC jurisdictions. In addition to the exception for chain providers identified in CR 3530, CMS had also established exceptions for Indian Health Services, foreign claims, Rural Health Clinics (RHCs), and Federal Qualified Health Centers (FQHCs).

**NEW/REVISED MATERIAL - EFFECTIVE DATE\*: May 1, 2005**

**IMPLEMENTATION DATE: August 8, 2005**

*Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

### II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual not updated.)

(R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

**III. FUNDING:** No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2005 operating budgets.

### IV. ATTACHMENTS:

	Business Requirements
	Manual Instruction
	Confidential Requirements
X	One-Time Notification
	Recurring Update Notification

\*Unless otherwise specified, the effective date is the date of service.

# Attachment – One-Time Notification

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**SUBJECT: Qualified Independent Contractor Jurisdictions**

## I. GENERAL INFORMATION

**A. Background:** The Medicare claim appeals process was amended by the Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA). Section 1869(c) of the Social Security Act (the Act), as amended by BIPA, requires a new second level in the administrative appeals process called a reconsideration. This new "reconsideration" is different from the previous first level of appeal for Part A claims performed by Fiscal Intermediaries (FIs). Reconsiderations will be processed by Qualified Independent Contractors (QICs).

The purpose of this Change Request is to notify FIs about the exceptions to the general jurisdictions for the QICs. CR 3530, issued on March 25, 2005, established the general rules for the QIC jurisdictions. In addition to the exception for chain providers identified in CR 3530, CMS had also established exceptions for Indian Health Services, foreign claims, Rural Health Clinics (RHCs), and Federal Qualified Health Centers (FQHCs).

## B. Policy:

The following chart notes the exceptions to the normal QIC jurisdictions for the FIs.

Jurisdiction	Normal States	Exceptions
East QIC jurisdiction	Colorado, New Mexico, Texas, Oklahoma, Arkansas, Louisiana, Mississippi, Alabama, Georgia, Florida, Tennessee, South Carolina, North Carolina, Virginia, West Virginia, Puerto Rico, Virgin Islands, Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, New Jersey, New York, Delaware, Maryland, Pennsylvania, Washington DC and Mutual of Omaha claims were the service was rendered in one of the above listed states.	<p><b>Chain Providers (including ESRD)</b>- the state where the FI processes the claim. For Mutual of Omaha claims, the jurisdiction continues to be the state were the service was rendered.</p> <p><b>Indian Health Services Nationwide</b>- processed by TrailBlazers</p> <p><b>Foreign claims</b>- Eastern Mexico (processed by Trailblazer), Canadian Provinces of New Burnswick, Newfoundland, Nova Scotia, Quebec, and Prince Edward Island (processed by AHS)</p> <p><b>Rural Health Clinics Nationwide</b>- processed by Anthem, Highmark, TrailBlazer, and Riverbend</p> <p><b>Federal Qualified Health Centers</b>- in accordance with normal jurisdiction (processed by UGS)</p>
West QIC jurisdiction	Washington, Idaho, Montana, North Dakota, South Dakota, Iowa, Missouri, Kansas, Nebraska, Wyoming, Utah,	<p><b>Chain Providers (including ESRD)</b>- the state where the FI processes the claim. For Mutual of Omaha claims, the jurisdiction continues to be the state were the service was rendered.</p>

	Arizona, Nevada, California, Alaska, Hawaii, Oregon, Kentucky, Ohio, Indiana, Illinois, Minnesota, Michigan, Wisconsin, Guam, Northern Mariana Islands, American Samoa, and Mutual of Omaha claims were the service was rendered in one of the above listed states.	<p><b>Foreign claims-</b> Western Mexico (processed by NHIC), Canadian Provinces of Ontario (processed by UGS) Saskatchewan, Alberta Manitoba (processed by BC of Montana), British Columbia, Vancouver, and Yukon Territories (processed by Noridian).</p> <p><b>Federal Qualified Health Centers-</b> in accordance with normal jurisdiction (processed by UGS)</p>
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**II. BUSINESS REQUIREMENTS**

*“Shall” denotes a mandatory requirement*  
*“Should” denotes an optional requirement*

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3908.1	FIs shall include the appropriate address for the QIC (as described in Section B of the business requirements form) on their Medicare Redetermination Notices.	x				x				
3908.2	FIs shall enter into Joint Operating Agreements for the QIC(s) in their jurisdiction in accordance with CR 3530.	x								

**III. PROVIDER EDUCATION**

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
	None.									

**IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS**

**A. Other Instructions: N/A**

X-Ref Requirement #	Instructions

**B. Design Considerations: N/A**

X-Ref Requirement #	Recommendation for Medicare System Requirements

**C. Interfaces: N/A**

**D. Contractor Financial Reporting /Workload Impact: N/A**

**E. Dependencies: N/A**

**F. Testing Considerations: N/A**

**V. SCHEDULE, CONTACTS, AND FUNDING**

<b>Effective Date: May 1, 2005</b>  <b>Implementation Date: August 8, 2005</b>  <b>Pre-Implementation Contact(s):</b> Jennifer Frantz (410) 786-9531  <b>Post-Implementation Contact(s):</b> Jennifer Frantz (410) 786-9531	<b>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2005 operating budgets.</b>
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